Chairman's Report

Small Business
Development Corporation

small business development corporation

October 15, 1984

Honourable Roland J. Thornhill
Minister of Development
Nova Scotia Department of Development
Province of Nova Scotia
Halifax, Nova Scotia

Dear Mr. Minister:

I am pleased to present on behalf of the Board of Directors of the Small Business Development Corporation, our Audited Financial Statements for the fiscal year ended March 31, 1984.

This period of operation for the Corporation reflected the gradual recovery taking place in the economy. During the year, the Board approved financing for 87 projects totalling $6,741,400 in Small Business Development Corporation assistance to various small businesses throughout the Province and involved slightly under 1,000 jobs, including both new and maintenance of existing employment. These represent substantial increases over the preceding year and indications since the close of the fiscal year suggest a further improvement appears likely for the current year.

As we approach the last half of the 1980's, the Board is conscious of the framework for development policy as outlined in the White Paper on economic development entitled "Building Competitiveness", particularly as it relates to small businesses in the Province. We are committed to playing our part through cooperation and assistance in achieving the goals expressed in that document.

I wish to express my thanks to the Directors, Officers and Staff of the Corporation for their loyalty and support during the year.

Respectfully submitted,

Frank T. Barber
Chairman

Nova Scotia Department of Development
Dartmouth Professional Centre, Suite 100, 277 Pleasant Street, Dartmouth, Nova Scotia, B2Y 4B7 Telephone (902) 424-4920

Small Business Development Corporation

"There is hereby established a body corporate to be known as the Small Business Development Corporation. The Corporation may, subject to the regulations, render to small business financial assistance, or such other assistance as may be determined by the regulations, which in the opinion of the Board will encourage, sustain, improve or develop small businesses in the Province."

The Small Business Development Corporation reports to the Legislature through:

The Minister of Development
The Hon. Roland J. Thornhill
Province of Nova Scotia

Board of Directors

Small Business Development Corporation

"The general administration of the affairs, property and assets of the Corporation is vested in the Board." (Small Business Development Act)

F. T. Barber	**Chairman**
R. E. Barkhouse	**Directors**
F. C. Bettens	
R. P. Dexter	
H. Gillis	
O. P. Harkins	
D. Hill	
M. Kelly	
D. L. Macaulay	
H. Norve	
J. P. O'Neil	
F. B. Peters	
R. A. Prest	
R. Publicover	
R. J. Thornhill	
W. T. Withers	

Administration

H. W. Clarke	**Executive Director**
D. G. Holland	**Assistant Director and Secretary**
P. E. McNeil	**Administrative Assistant**

Auditor's Report

Auditor General
Nova Scotia

Small Business
Development Fund

Nova Scotia

Auditor General

AUDITOR'S REPORT

To the Chairman and Directors of the
Small Business Development Corporation, and to
the Minister of Development

I have examined the balance sheet of the Small Business Development Corporation as at March 31, 1984 and the statements of continuity of fund and free balance for the period then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Small Business Development Corporation as at March 31, 1984 and the continuity of the fund and free balance for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

O.P. Cormier

O.P. Cormier, F.C.A.
Deputy Auditor General

Halifax, Nova Scotia
July 6, 1984

Small Business
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Department of Development
Province of Nova Scotia

Auditor's Report

Auditor General
Nova Scotia

Small Business Development Fund

Balance Sheet
As at March 31, 1984

Assets

	1984	1983
Accounts receivable	$ —	$ 11,714
Loans receivable (Note 3)	12,692,456	11,326,901
Due from Consolidated Fund		
Loans authorized but unadvanced	2,142,545	968,428
Guarantees (Note 4)	1,040,000	611,000
Free balance	5,518,184	1,245,377
	8,700,729	2,824,805
	$21,393,185	**$14,163,420**

Liabilities and Fund Equity

Accounts payable	$ 1,402	$ 105,891
Small Business Development Fund	22,710,082	14,980,783
Less: Allowance for doubtful accounts	1,318,299	923,254
	21,391,783	14,057,529
	$21,393,185	**$14,163,420**

Approved on Behalf of the Board

Small Business
Development Corporation

J. Barker Chairman

Member

Department of Development
Province of Nova Scotia

Auditor's Report

Auditor General
Nova Scotia

Small Business Development Fund

Statement for Continuity of Fund

For the period ending March 31, 1984

	1984	1983
Balance, beginning of year	$14,980,783	$15,000,000
Add: Authorizations during the year	8,000,000	—
	22,980,783	15,000,000
Less: Accounts written off	270,701	19,217
Balance, end of year	**$22,710,082**	**$14,980,783**
Comprising:		
Loans advanced and guarantees in effect	$14,488,509	$12,468,557
Loans authorized but unadvanced and guarantees not in effect	2,704,791	1,361,026
Free balance	5,518,184	1,245,377
Accounts receivable	—	11,714
Accounts payable	(1,402)	(105,891)
	$22,710,082	**$14,980,783**

Small Business
Development Corporation

Department of Development
Province of Nova Scotia

Notes to Financial Statements

1. Authority and Objectives

The Small Business Development Fund was established pursuant to the Small Business Development Act. The purpose of the Fund is to finance the activities of the Small Business Development Corporation.

The objective of the Corporation is to promote the economic well-being of the Province by rendering financial assistance to small business.

2. Accounting Policies

Administrative Expenses

The revenues and expenses relating to the administration of the Small Business Development Fund are provided for by the Department of Development and charged to the Other Agencies vote of the Department. These revenues and expenses are not reflected in these financial statements.

3. Loans receivable

	1984	1983
Loans receivable	$13,224,023	$11,213,227
Foreclosed assets and properties held for sale	457,374	783,521
Deficiency balances	329,358	253,407
	14,010,755	12,250,155
Less: Allowance for doubtful accounts	1,318,299	923,254
	$12,692,456	$11,326,901

Auditor General
Nova Scotia

Small Business
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4. Guarantees

	1984	1983
Guarantees in effect	$ 477,754	$ 218,402
Guarantees not in effect	562,246	392,598
	$1,040,000	$ 611,000

Under an agreement dated August 4, 1981, the Corporation assumed responsibility for guarantees made by Industrial Estates Limited for small business loans with chartered banks. These were not reflected in the financial statements at March 31, 1983. The March 31, 1983 figures have been restated to include guarantees in effect of $92,402 and guarantees not in effect of $92,598.

Small Business
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Small Business Development Corporation

Authorization by Industry Sector		1984 %	1984 Amount	1983 %	1983 Amount
Manufacturing	Metal Fabrication & Machinery	18	$1,192,000	20	$ 574,000
	Wood, Plastic & Concrete	15	983,000	10	272,000
	Food (including Fish Processing)	6	437,000	3	80,000
	Electronics	5	348,000	5	128,500
	Marine Related	2	160,000	4	120,400
	Printing & Related	1	30,000	1	39,800
	Miscellaneous	1	75,000	1	27,000
	Total	**48**	**3,225,000**	**44**	**1,241,700**
Services	Tourist and Entertainment	15	982,500	31	855,000
	Transportation	5	361,500	9	250,000
	Offshore	4	255,000		
	Business and Personal	3	222,400	4	100,000
	Agriculture	3	205,000		10,000
	Construction	2	130,000	1	37,000
	Miscellaneous	1	49,500		
	Total	**33**	**2,205,900**	**45**	**1,252,000**
Trade	Retail & Wholesale	**19**	1,310,500	**11**	314,000
Total Authorization		**100**	**$6,741,400**	**100**	**$2,807,700**

Small Business Development Corporation

Applications and Authorizations

		1984 #	1984 Amount	1983 #	1983 Amount
Total Applications Processed		138	$9.976.065	158	$10.479.853
	Average Amount		$ 72.290		$ 66.328
Applications Authorized		87	$6.741.400	53	$ 2.807.700
	% of Total App	63%	68%	34%	27%
Applications Declined		22	$1.291.225	52	$ 3.432.075
	% of Total App.	16%	13%	32%	33%
Applications Withdrawn and Deferred		29	$1.943.440	53	$ 4.240.078
	% of Total App.	21%	19%	34%	40%

Purpose of Authorizations

	%	Amount	%	Amount
To Establish a New Business	21	$1.429.900	23	$ 661.000
To Expand an Existing Business	67	$4.533.500	67	$1.869.300
Other Miscellaneous Purposes	12	$ 778.000	10	$ 277.400

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Development Corporation

Distribution of Authorizations by Size

		1984 #	1984 %	1983 #	1983 %
$0 to	$25,000	24	28	20	38
$25,001 to	$50,000	23	26	20	38
$50,001 to	$100,000	18	21	5	9
$100,001 to	$250,000	22	25	8	15
	Totals	**87**	**100**	**53**	**100**

Distribution of Authorizations by Project and Source

		%	Amount	%	Amount
Project Cost	Land and Buildings	48	$ 5,134,482	39	$1,755,084
	Machinery & Vehicles	24	2,596,833	29	1,342,429
	Working Capital	26	2,793,917	30	1,377,457
	Miscellaneous	2	255,000	2	68,500
	Total	**100**	**$10,780,732**	**100**	**$4,543,470**
Financing	SBDC-Loan	56	$ 6,066,400	54	$2,461,700
	SBDC-Guarantee	6	675,000	8	346,000
	New Equity Investment (Shareholders)	14	1,470,866	20	912,300
	Other Lenders	11	1,129,000	7	310,200
	Miscellaneous	13	1,439,466	11	513,270
	Total	**100**	**$10,780,732**	**100**	**$4,543,470**

Offices

Small Business
Development Corporation

Main Office

Dartmouth Professional Centre
277 Pleasant Street. Suite 100
Dartmouth. Nova Scotia
B2Y 4B7

902 424-4920

and co-ordinated with:

Department of Development Regional Offices

Cape Breton	539-4768	295 Charlotte St.. **Sydney.** B1P 1C6
Strait of Canso	625-3200	Professional Bldg.. Church Street. **Port Hawkesbury.** B0E 2V0
	863-5707	Antigonish Municipal Bldg.. 42 West St.. **Antigonish.** B2G 2H5
Metro/East	424-6767	5151 George St.. P.O. Box 519. **Halifax.** B3J 2R7
Northumberland	662-3339	Admin. Bldg.. Debert Air Industrial Park. Box 100. **Debert** B0M 1G0
	752-1011	56 Provost St.. **New Glasgow.** B2H 2P4
	667-3223	40 Anson Ave.. Amherst Industrial Park. **Amherst.** B4H 4A1
South Coast	543-9121	Provincial Bldg.. 99 High St. **Bridgewater.** B4V 1V8
	742-8404	Provincial Bldg.. 10 Starrs Rd.. **Yarmouth.** B5A 2T1
Valley	678-3386	Annapolis Valley Industrial Mall. Box 524. **Kentville.** B4N 3X3
	825-4545	131 Commercial St.. Box 39. **Middleton.** B0S 1P0